

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
October 26, 2000
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Barton LaBelle, Chairman
 Betty Jean Awrey, Commissioner
 Ted Wahby, Commissioner
 Lowell Jackson, Commissioner
 John Garside, Commissioner

 Douglas Novak, Commission Advisor
 Jerry Jones, Commission Auditor
 Vickie Plummer, Executive Secretary
 Susan Keldsen, Commission Office
 Ray Howd, Assistant Attorney General
 Philip Kazmierski, Bureau of Urban and Public Transportation
 James DeSana, Director
 Greg Rosine, Chief Administrative Officer
 Jerry Edwards, Bureau of Aeronautics
 Wayne Niles, Bureau of Finance and Administration
 Tom Maki, Chief Operations Officer
 Gary D. Taylor, Bureau of Highway Technical Services
 Louis Lambert, Bureau of Transportation Planning

Absent: Jack Gingrass, Vice Chairman

A list of those people who attended the meeting is attached to the official minutes.

Chairman LaBelle called the meeting to order at 9:10 a.m. in the Bureau of Aeronautics Auditorium, Lansing, Michigan.

COMMISSION BUSINESS

Commission Minutes

It was moved by Commissioner Wahby, with support from Commissioner Garside, to approve the minutes of September 28, 2000, as submitted. The motion carried on a unanimous voice vote.

BID APPEALS

Cadillac Asphalt Paving Company & Century Cement Company

Wayne Niles, Deputy Director, Bureau of Finance and Administration, reported this appeal is in regard to a mandatory low bid rejection due to an unauthorized signature on the proposal for Century Cement Company. A representative of Cadillac Asphalt Paving Company signed on behalf of Century Cement. This signature was not a pre-qualified signature for Century Cement and the bid was rejected by the Department.

Stuart Teger, representing the Cadillac Asphalt Paving and Century Cement Company joint venture, provided the following explanation. The bid submitted by the joint venture was lower than the next low bid by more than \$86,000, but was rejected because it did not bear an authorized signature for Century Cement Company. Because this was a joint venture, and Mr. Assaf, Cadillac Asphalt Paving Company, was authorized by Century Cement to sign on their behalf, it is Mr. Teger's contention that Mr. Assaf's signature complied with the bidding requirements of the Michigan Department of Transportation (MDOT). Mr. Teger asked the Commission to reverse the decision made by MDOT to reject the bid, and award the contract to the joint venture of Cadillac Asphalt Paving Company and Century Cement Company.

James Parker, representing Thompson McCully, the second low bidder on this job, commented that the issue of the bid rejection is not about the qualifications of the joint venture, but whether or not a pre-qualified signature was on the bid. Because the bid by the joint venture did not contain pre-qualified signatures of both companies, the bid must be rejected and the contract awarded to the second low bidder. Mr. Parker asked that the Commission uphold the Department's decision to reject the bid of the joint venture.

Ray Howd, Assistant Attorney General's Office, provided that the matter of Cadillac Asphalt Paving and Century Cement Company being a joint venture is not the reason for the bid rejection by the Department, but that an authorized representative of Century did not sign the proposal, which is considered reason for mandatory bid rejection. It is Mr. Howd's position that the bid rejection should be upheld by the Commission in order to maintain the integrity of the bidding process.

It was moved by Commissioner Wahby, with support from Commissioner Awrey, to uphold the Department's decision to reject the bid from Cadillac/Century. The motion carried on a unanimous roll-call vote.

Chairman LaBelle asked the Department to provide clarification on joint ventures in their policy.

State Transportation Commission
October 26, 2000
Page 3

OVERSIGHT

Commission/State Administrative Board Contracts and Agreements (Exhibit A)

After information was provided on several contract items, it was moved by Commissioner Jackson, with support from Commissioner Wahby, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1)

It was moved by Commissioner Wahby, with support from Commissioner Garside, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Letting Exceptions (Exhibit A-2)

It was moved by Commissioner Wahby, with support from Commissioner Awrey, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Information Items (Exhibit A-3)

This item is for information only and does not require Commission approval.

Contract Adjustments

Gary Taylor, Chief Engineer/Deputy Director, Bureau of Highway Technical Services, reported on the contract extras and overruns, Exhibit B.

It was moved by Commissioner Jackson, with support from Commissioner Awrey, to approve the contract adjustments. The motion carried on a unanimous voice vote.

PRESENTATIONS

2001 Construction Program

Susan Mortel, Transportation Planning Division, reported on the accomplishments of the Michigan Department of Transportation (MDOT) in 2000. MDOT let 202 bridge, 67 road, and 9 passing relief lane jobs to contract; 91 percent of last year's announced projects were let to contract; 286 miles of roadway were contracted for construction; and 1,200 miles of roadway were improved under the Capital Preventative Maintenance Program. MDOT

let 15 capacity improvement and 10 new road jobs to contract; and 86 percent of the announced capacity improvement and new road projects were let to contract.

Ms. Mortel discussed template categories which include repair and rebuild projects, capital preventative maintenance program, bridge rehabilitation, new road construction, and routine maintenance. Major repair and rebuild projects for 2001 include I-496 reconstruction in downtown Lansing, M-39 reconstruction, I-75 reconstruction in Chippewa County, M-45 in Ottawa County, I-75 projects in Ogemaw County, US-27 road and bridge rehabilitation in Clare County, US-2 reconstruction in Iron Mountain. Major new road projects include M-6 in Grand Rapids, US-131 in Cadillac, US-31 in Berrien County, and M-5 in Oakland County. Improvements will also be made in safety programs, federal mandates, EDF/TEA-21 high priority projects, and state-funded programs.

Chairman LaBelle commended the Department for their cultural change of customer orientation. The strategy of going in, completing a job, and getting out is a plus.

Build Michigan III Presentation

Greg Rosine, Chief Administrative Officer, provided a list of projects, estimated costs, and individual project descriptions for Governor Engler's Build Michigan III Program. Also provided was a map showing the location of projects throughout Michigan.

Lou Lambert, Bureau of Transportation Planning, provided information on the design investment for major freeway improvement projects and information on the congestion, safety, and economic development projects.

Recess

Chairman LaBelle recessed the meeting at 10:00 a.m., and reconvened the meeting at 10:20 a.m.

Build Michigan III Bond Resolution

Wayne Niles, Deputy Director, Bureau of Finance and Administration, provided information on the Build Michigan III Bond Resolution. The resolution will authorize the Department to begin the process to issue bonds for the Build Michigan III initiative. It will authorize the hiring of financial advisors, bond attorneys, and bond underwriters, and the preparation of documents that are necessary to prepare the Department to issue bonds. The resolution includes the project list and associated costs and will be transmitted to the Legislature in compliance with Act 51. The resolution includes a declaration of intent that authorizes

expenditures on projects that occur before the bonds are issued to be reimbursed from the bond fund after bonds are sold. The resolution requires a roll-call vote of the Commission.

It was moved by Commissioner Garside, with support from Commissioner Awrey, to approve the bond resolution. The motion carried on a unanimous roll-call vote.

Director DeSana commended Department staff for accommodating the public. The Director also noted that for the first time in Build Michigan III, dollars were appropriated from the general fund and complimented the Governor for his support of transportation. The Director furthered that transportation projects benefit economic development in the state, but most people do not realize economic development revenue usually goes to local agencies, rather than the transportation fund.

Highway Traffic Noise Analysis and Abatement Policy

Frank Spica, Construction and Technology Division, provided a copy of the proposed draft of MDOT's Highway Traffic Noise Analysis Policy. The policy addresses the concerns of the Commission that were discussed previously. The policy is divided into four parts including definitions of all terms used in the policy; the Type I program; the Type II program; and locations with unique or unusual conditions.

Changes in the Type II program include requirements that local agencies will provide 50 percent of the state and local funding portion of the cost; local agencies will provide 50 percent of the cost of aesthetic maintenance by taking responsibility for their side of the wall; and MDOT assumes responsibility for the structural maintenance of a wall. These agreements must be in place prior to programming funds for the project.

It was also recommended that the proposed Type II program be funded for the next five years at \$3 million per year. At the end of a five-year period, the funding level should be reviewed. This level will allow MDOT to address the maintenance issues of existing Type I and Type II walls. It will also allow the Department to build at least one new Type II wall per year.

There were further questions and discussion on the current noise abatement inventory list and how local, state, and federal monies would be used in the funding of future noise abatement. Director DeSana noted that all monies used for noise abatement would come from road funds.

Ron Holcomb, Construction and Technology Division, commented that he has measured sound levels at many locations and has found the levels to be extremely high. Mr. Spica noted that Page 5 of the draft policy addresses noise levels.

State Transportation Commission
October 26, 2000
Page 7

Chairman LaBelle requested additional information be presented to the Commission on funding levels and the status of the current waiting list. This issue was tabled until the department provides additional information and will be brought back to the Commission for approval at a future meeting.

PUBLIC COMMENTS

Clyde Brown, a Lansing home owner, voiced concern about the southbound side of US-127 north of Grand River. The wooden fence is deteriorating, trees are pushing the fence over, and the extension of US-127 has increased the noise level in the area. Mr. Brown noted he is not aware of any maintenance on the fence since it was installed in approximately 1970-1971 and believes the noise level exceeds Federal Highway Administration (FHWA) requirements.

ADJOURNMENT

Doug Novak, Commission Advisor, noted the next meeting will be held on November 30, with no meeting scheduled for December.

Chairman LaBelle adjourned the meeting at 10:50 a.m.

Commission Advisor